

AMENDED IN SENATE APRIL 20, 2010

AMENDED IN SENATE APRIL 6, 2010

**SENATE BILL**

**No. 1161**

---

**Introduced by Senator Lowenthal**

February 18, 2010

---

An act to amend Section 17070.51 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1161, as amended, Lowenthal. Education: school finance.

Existing law, the Leroy F. Greene School Facilities Act of 1998, provides the funding for the new construction and modernization of school facilities. A procedure is provided for school districts to apply for funding school construction or modernization pursuant to this act.

Existing law provides that if any certified eligibility or funding application containing a material inaccuracy is found to have been falsely certified by specified entities, the Office of Public School Construction is required to notify the State Allocation Board of the inaccuracy.

Existing law requires the board to prohibit a school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to 5 years following the date of the finding of a material inaccuracy, or until the district's repayment of the entire amount owed the fund.

This bill would require the Office of Public School Construction to notify the board if certified eligibility or funding application information is found to contain a material inaccuracy and would delete the exception from the prohibition for the district's repayment. *The bill would require the board to set forth the reasons for its decision regarding both the*

*prohibition on self-certification and the term of the prohibition, if applicable, in a regularly scheduled public meeting. This bill would make other technical changes.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17070.51 of the Education Code is  
2 amended to read:  
3 17070.51. (a) If certified eligibility or funding application  
4 information is found to contain a material inaccuracy, the Office  
5 of Public School Construction shall notify the board.  
6 (b) The board shall impose the following penalties if an  
7 apportionment and fund release has been made based upon  
8 information in the project application or related materials that  
9 constitutes a material inaccuracy, pursuant to subdivision (a).  
10 (1) Pursuant to a repayment schedule approved by the board of  
11 no more than five years, the school district shall repay to the board,  
12 for deposit into the 1998 State School Facilities Fund, the 2002  
13 State School Facilities Fund, or the 2004 State School Facilities  
14 Fund, as the case may be, an amount proportionate to the additional  
15 funding received as a result of the material inaccuracy including  
16 interest at the rate paid on moneys in the Pooled Money Investment  
17 Account or at the highest rate of interest for the most recent issue  
18 of state general obligation bonds as established pursuant to Chapter  
19 4 (commencing with Section 16720) of Part 3 of Division 4 of  
20 Title 2 of the Government Code, whichever is greater.  
21 (2) The board may prohibit the school district from  
22 self-certifying certain project information for any subsequent  
23 applications for project funding for a period of up to five years  
24 following the date of the finding of a material inaccuracy. *The*  
25 *board shall set forth the reasons for its decision regarding both*  
26 *the prohibition on self-certification and the term of the prohibition,*  
27 *if applicable, in a regularly scheduled public meeting.* Although  
28 a school district that is subject to this paragraph may not  
29 self-certify, the school district shall not be prohibited from applying  
30 for state funding under this chapter. The board shall establish an  
31 alternative method for state or independent certification of  
32 compliance that shall be applicable in these cases. The process

1 shall include, but shall not be limited to, procedures for payment  
2 by the school district of any increased costs associated with the  
3 alternative certification process.

4 (c) For school districts found to have provided material  
5 inaccuracies when a funding apportionment has occurred, but no  
6 fund release has been made, the board shall direct its staff to reduce  
7 the apportionment as necessary to reflect the actual nature of the  
8 project and to disregard the inaccurate information or material,  
9 and paragraph (2) of subdivision (b) shall apply.

O